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THE IMPACT OF CETA TITLE II-B
UPON PARTICIPANTS IN ORANGE AND SEMINOLE COUNTIES

BY

MARY MELISSA NARAMORE

THESIS

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for the Masters of Arts Degree in Applied Economics
in the Graduate Studies Program of the College of Business
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Summer Quarter
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Chapter I

INTRODUCTION

The federal government first became actively involved in manpower policy in 1962 with the Manpower Development and Training Act (MDTA). This involvement came in response to the continued existence of serious unemployment and poverty in the midst of an otherwise prosperous economy (Perry, Anderson, Rowan, Northrup 1976). Since this initial involvement, the direction of federal manpower policy has changed drastically. Initially, manpower policy was nationally oriented, but it has since shifted toward state and local control. This change brought about by the Comprehensive Employment and Training Act of 1973 (CETA) was an attempt to make manpower policy flexible to the unique requirements and needs of the various local labor markets.

As high unemployment rates are still being experienced by our inflationary economy, attention is being turned to the CETA program. CETA is being scrutinized from every angle. Is the program benefiting the trainees? Is the program "worthwhile" given the expenditures allocated? In fiscal year 1980 total CETA allocated expenditures amounted to \$9.6 billion. These questions and more are increasingly

being asked of the CETA program, and need to be answered.

The new administration has not been favorably inclined toward CETA. It has cut the CETA budget from \$9.6 billion in 1980 to \$3.5 billion in 1981 with additional cuts to be made in 1982 (Sentinel Star, April 16, 1981). The cuts were aimed at the Public Service Employment (PSE) program which is to be totally extinguished by the end of fiscal year 1981. During the past five years approximately one-half of all CETA expenditures have been designed to create PSE jobs. Although there is an important role for government in the employment picture, it is the private sector that provides most of the jobs in the American economy. Five out of every six new jobs are created in the private sector. The Reagan Administration is supportive of a more effective level of private sector involvement in the nation's manpower programs. The success of the CETA manpower program depends on the transition of participants into unsubsidized employment. Unsubsidized job placement rates, however, have generally been less than 50% (Congressional Budget Office 1981). Placement rates are used as short term indicators of CETA program success. They are affected by the characteristics of the participants enrolled and by the prevailing economic conditions.

Under the Reagan Administration the CETA program faces an overhaul. A responsible evaluation of the CETA program is, therefore, crucial to reshape the CETA program as a viable manpower program and to justify such huge government

investment.

Scope and Purpose

The purpose of this research is to examine the economic impact of CETA Title II-B* upon participants in Orange and Seminole Counties where \$4,624,244 were expended during fiscal year 1978. The study is a follow-up of the short-run labor market experiences of CETA participants who terminated from the classroom training, on-the-job training, and work experience training programs in fiscal year 1978.

The specific objectives of the study include:

1. An analysis of the socio-economic characteristics of the participants.
2. An analysis of the secondary services and their role toward participant success in the labor market.
3. An assessment of the program completers' post-training performance in the labor market.
4. A descriptive profile of the success cases
5. A cost-benefit analysis of the primary service components, i.e., classroom training, on-the-job training, and work experience.

*Title II-B (previously Title I) is more commonly known as Comprehensive Manpower Services.

Significance of Study

The study evaluates the effectiveness of CETA in promoting successful labor market experiences among program completers. It generates feedback information to guide prime sponsors* in the future planning of CETA programs and facilitate more involvement of an apprehensive private sector. With the status of terminees in the labor market reflecting their training experience, a cost-benefit analysis ties the tangible program benefits to the dollar investment. Finally, the data is analyzed and presented in a simplified format for possible adoption by prime sponsors in other geopolitical areas.

Organization of Study

The study is divided into seven chapters. The first chapter presents the purpose, scope, and significance of the study. In the second chapter a brief overview of the CETA program is provided. In the third chapter, some of the important issues pertaining to manpower program evaluation are discussed. Chapter four presents the methodology of the study. Chapter five is the actual case study

*Prime sponsors are the local authorities vested with the responsibility of developing, implementing and operating CETA programs. States, units of local government with 100,000 or more population, and certain combinations of local governments are all eligible for prime sponsorship.

of Orange and Seminole Counties' participants. Chapter six presents a cost-effectiveness assessment of the primary service components i.e., classroom training, on-the-job training, and work experience. Finally, in chapter seven a summary, conclusions and recommendations for future research are presented.

Chapter II

CETA: AN OVERVIEW

The first part of this chapter provides a brief review of the pre-CETA manpower programs and a look at some of the reasons why a new approach to manpower policy was needed. The latter part of this chapter takes a look at CETA as that new approach. The rationale behind CETA, its purpose and performance are discussed.

Pre-CETA Manpower Policy

In 1962 the Manpower Training and Development Act (MDTA) was enacted; it was the first active manpower policy of the federal government. The objective of the MDTA was to provide training programs and work experience that would enable the unemployed and the underemployed to improve their job skills.

Since the initial legislation, a wide variety of manpower programs have been implemented. The emphasis of the various manpower programs has varied significantly due to changing social, economic, political, and budgetary conditions. Some of the programs have focused extensively on

skill training, while others have focused primarily on the removal of nonskill barriers to employment such as deficient education, social and psychological handicaps, lack of labor market information, and the inability to obtain the necessary supportive services (Perry et al. 1976). The fundamental objective of manpower policy has been employability, employment, and earned income; the target group has largely been the unemployed, the underemployed, and the economically disadvantaged.

With the vast numbers of manpower programs operating autonomously, each with its own special clients, standards, services, and operational techniques, came much duplication of services, inefficiency, and confusion. There were many complaints that the programs' administrations were unresponsive to the special needs of the various localities. In response to the need for a more efficient and effective manpower policy, and after almost five years of reform efforts, CETA was enacted with a new approach to manpower policy (The New Manpower Act - A Summary 1974).

CETA In Action

The CETA legislation represented a drastic change in manpower policy. Under CETA, many of the programs that had been authorized under previous manpower legislation (MDTA and the Economic Opportunity Act, Title I), were now decen-

tralized and decategorized. The planning and implementation of manpower policy was shifted from federal to state and local levels. Local authorities, known as prime sponsors, were permitted to allocate federal funds among a wide variety of services in the manner most beneficial to the local community. These services ranged from primary services such as classroom training, on-the-job training, and work experience to secondary services such as job development, counseling, placement, and supportive services (e.g., child care, transportation assistance, etc.).

The concepts of decentralization and decategorization were introduced in an attempt to make manpower policies more responsive to the unique needs of each location. Not unlike previous manpower policies, the objective of CETA was to "...provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons, and to ensure training leads to maximum employment opportunities and enhance self-sufficiency..." (Comprehensive Employment and Training Act of 1973, PL 93-203).

Almost since its inception, CETA has been troubled by scandal. The very characteristics of reform which were intended to improve the effectiveness of manpower programs have often proved to be a hinderance to CETA. By their very nature, decentralization and decategorization have provided ample opportunity for the numerous incidents of poor administration, mismanagement, misuse and outright abuse of pro-

gram funds that have characterized CETA. In addition, program critics contend that CETA has assisted many people for whom the program was never intended (e.g. municipal employees already skilled in their jobs under Public Service Employment Program, CETA Titles II-D and VI) and has had little, if any impact upon the hard core unemployed who are unskilled and in real need of CETA services (Nicholson, Wallcott, Shannon, Henkoff 1978). Consequently, the above has resulted in a negative image for CETA program, and has brought its underlying philosophy under question.

On the positive side, CETA has shown some rewarding aspects. Prime sponsors from around the nation have been reporting positive results. The Department of Labor has cited Syracuse, Lansing, Montgomery, Boston, and Oakland as having good programs (Why CETA Is In Trouble 1978). That CETA has found unsubsidized employment for thousands of disadvantaged workers has been shown by even the most critical of assessments (Nicholson et al. 1978). Additionally, CETA has been cited by the Carter Administration as having helped to reduce national unemployment from 7.4% in 1976 to less than 6.0% in 1978 (Why CETA Is In Trouble 1978).

The actual impact that CETA has had is difficult to determine and cannot be substantiated to any great length. This is primarily due to the lack of emphasis placed upon program evaluation in the recent past. Through their investigations into CETA evaluation efforts, researchers have

come up with three reasons why substantial evaluation has been impeded. First, very few prime sponsors have had data systems which make the retrieval of client information feasible. Second, prime sponsors were initially more concerned with program operations than with program evaluations. And third, CETA was put into action during a recession and prime sponsors did not have the desire or the know how to evaluate their programs with traditional methodologies (Snedeker 1978).

CETA regulations do require program evaluations, but they leave the responsibility and the scope of evaluation up to the state and local authorities. Further, these evaluation findings have not been required to be reported (U.S. Department of Labor 1975). As a result, prime sponsors have placed very little emphasis and allotted very few resources to evaluation efforts. Existing evaluations have been sporadic, often of poor quality and uncoordinated, making an overall assessment of the CETA program difficult.

More recently, prime sponsors have begun to recognize the need for evaluation. As their programs are now functioning operationally and more of the prime sponsors are using automated data systems, increased attention is being given to program evaluation (Snedeker 1978). Prime sponsors are realizing that evaluations are necessary to an efficient and effective operation, not to mention the importance of evaluation as a justification for the substantial amount of

dollars being channeled through the CETA program. The need is still great, however, for a system of evaluation that will be meaningful at state as well as local levels. The immediate future should see great strides being made in the evaluation aspect of CETA toward a more consistent and coordinated system of program evaluation across the nation to result in a better consolidated CETA program in partnership with the private sector.

Chapter III

MANPOWER PROGRAM EVALUATION

When undertaking to evaluate the impact of a manpower program upon the participants, there are several issues that should be considered and many decisions that must be made. Three such issues pertinent to this study will be discussed in this chapter. The first issue pertains to the use of a control group i.e., whether to use a control group or not use a control group; and, if a control group is decided upon, specifically what type of a control group to use. The second issue to be discussed is in regard to the types of variables to be included in the evaluation. Basically, there are two types of variables, economic and noneconomic. Noneconomic variables, being more difficult to work with, are often excluded - a highly controversial point of action. The final issue to be discussed in this chapter is the use and value of a cost-benefit analysis as an assessment tool in manpower evaluation.

Control Group Comparison

Evaluators of manpower programs usually choose to em-

ploy one of two techniques when seeking to determine the impact of a program upon the participants. The first technique utilizes a before and after comparison, and the second technique uses a control group comparison.

Under the first technique, pertinent pre-training and post-training data is collected on program participants. An extrapolation is then undertaken on the basis of the participants' pre-training data in order to determine the impact of the program upon the participants. With the second technique, data is collected on the program participants' pre and post-training labor market performance. This data is then compared with data on the labor market experience, for the same time periods, of a selected control group. The control group is used to determine the expected labor market performance of program participants in the absence of training.

Both before and after comparison and the control group comparison techniques have unique benefits as well as inherent problems which will be examined in the following paragraphs. The primary emphasis will be on the control group comparison technique.

Evaluators that support the use of control group comparisons contend that only on the basis of this technique can program effects, and the degree of such effects, be most accurately assessed. It has been suggested that when inferences of program impact upon participants are taken sin-

gularly from simple before and after comparisons of performance variables, the study will be subject to inaccuracies as a result of existing biases. These biases arise from such factors as random fluctuations in the economic environment, delayed adjustment to employment opportunities, and changes in personal employment opportunities.

The bias created by random changes in economic activity may be either positive or negative, depending in part upon the balance between expansionary and contractionary changes in the particular economic environment. A recession could be expected to have a negative bias on before and after comparisons while an expansion could be expected to positively bias a before and after comparison. For example, a regional economy has experienced a period of growth, and everyone participating in the program obtains employment (along with many others who did not participate in the program); but this does not necessarily signify that the program itself was responsible for the improved labor market performance of the participants. Likewise, when a region experiences a depression and few or none of the program participants obtain employment, this does not signify that the program had no effect upon the participants. A second type of bias may result because time is required to adjust to employment opportunities in an imperfect labor market. Persons who quit or lose jobs in one time period may not find or accept new employment until several time periods later due to

reasons such as job search time, illness, family obligations, and the like. Program participants who belong to this category of unemployed have, through 'natural recuperation,' an enhanced outcome when valued by before and after comparisons and will thus subject the study to a possible positive bias as these persons would have obtained subsequent employment with or without participating in the program. A third type of bias occurs when the economic status of a participant worsens permanently in the period immediately prior to the training period. An example being the closing of a specialized high wage plant located in a depressed geographic region. When this occurs in the period immediately prior to the training period, the high pre-training earnings of these layed off workers results in a gross overstatement of their potential long run earnings in the absence of treatment and is a potential source of negative bias. Because of biases such as these, the simple before and after comparisons are a less than desirable source for program impact evaluations and accordingly, cannot be used to ascertain the true program impact (Hardin 1972).

On the other hand, critics of the control group technique suggest that the effects of a manpower program may not be limited to the participants and quite possibly may affect the behavior of control group members. The mere presence of the program with its previously unavailable service options and resources could affect the whole community, including

the control group members. Knowledge of the program and its availability as well as feedback between program participants and members of the control group are factors that could bias the outcome of impact evaluations in which control groups are used. Critics contend that independence is a condition which must be met when using a control group comparison, a condition that manpower programs cannot meet. Even should these conditions of independence be met, the evaluation results in themselves might be meaningless, i.e., could the similarities or differences between participant and control group performance explain program impact? For example, should the case where unemployment decreases (or increases) drastically and everyone (no one) in both the participant and the control group is employed imply that the program had no significant impact upon the participants?

This criticism of the control group technique draws attention to the importance of including in the impact evaluation such factors as the existing labor market conditions, economic fluctuations, and noneconomic effects of manpower programs upon participants. When taken into consideration, these factors can considerably decrease the problems associated with the use of the control group technique. One other criticism leveled by critics that deserves mention here is the fact that evaluators should speak in terms of 'comparison groups' rather than control groups, in view of the fact that the complexity of manpower programs make the establish-

ment of true control difficult (Miller 1972).

The necessity of control groups, or comparison groups, in impact evaluation is widely accepted practice (Borus 1972), and most evaluators will agree that without the use of a control group it would be nearly impossible to tie improvements experienced by participants to their participation in the manpower program (Perry et al. 1976). It is further agreed that a control group should match the participant group as closely as possible in socio-economic characteristics and should be drawn from the target population. However, the source for a control group is still a highly debatable issue. Four potential control groups will be introduced in the following section.

Types of Control Groups

One type of control group that can be used is a randomly selected control group. In order to obtain a random control group, interested qualified persons must be randomly assigned into either a participant group that receives training or a control group that does not receive training. This is perhaps the best methodology for obtaining an unbiased estimate of the expected labor market performance of participants had they not participated in the program (Borus, Buntz 1972).

The weaknesses of this method of control group selec-

tion are obvious. First, a system of evaluation must be actively incorporated into the program at its onset, something that is rarely done. Second, members of the control group must be restrained from participating in other manpower programs throughout the time frame of the study, an exceedingly difficult thing to accomplish when other manpower programs are available in the area. Third, from a humanitarian aspect, there is a reluctance to exclude eligible and deserving persons from participating in a manpower program while at the same time filling openings with friends and relatives of those being excluded.

A second possible source for a control group is the people who are qualified for program participation but who do not apply. By using qualified nonapplicants as members of the control group, one can obtain a good sampling of the target population. These qualified nonapplicants can be obtained by such methods as neighborhood canvassing or from employment center applications.

A control group consisting of nonapplicants who are qualified for program participation can be matched with the participant group according to labor market experiences and conditions; but, a match in personal characteristics is difficult to achieve. Also, should attitudes be found to play an important role in influencing labor market performance, then the nonapplicants can be said to vary from the participants in this respect. This could result in an over-

statement of the program impact (Perry et al. 1976).

A third possible control group is one that consists of interested and qualified persons who for one reason or another do not enroll in the program. It has been suggested that qualifications and desire for enrollment in a manpower program could be factors which influence a person's job and earning opportunities in the absence of participation in a manpower program. And if this is true, then the labor market prospects of the enrollees and the would be enrollees are not the same as those of the target population, i.e., those not wishing to enroll. Therefore, the labor market performance of the target population is not a good measure of what participant performance would have been in the absence of program participation. Following this reasoning, persons who have the qualifications and desire to participate in manpower programs, but do not actually participate, would be a good source for control group members (Miller 1972).

One problem that arises when using interested and qualified nonenrollees as a control group is that these persons come in contact with program counselors while being considered for the training program. The information and services rendered during this contact may in itself lead to improved employment and earnings and therefore negatively bias the estimates of program impact (Hardin 1972).

A fourth control group source is the group of dropouts

from the manpower program. Dropouts provide a qualified and readily available group of persons who are perhaps the closest match to participants in labor market experience, socio-economic characteristics, and in their attitudinal disposition to join manpower programs.

The use of dropouts as a control group is often predicated upon the assumption that no benefits are attributable to program participation unless the course is completed and the skills learned in the program are used to obtain employment (Barsby 1972). This however, is not always true. By their very nature, some programs must be completed before skills that have been learned are pliable. Such would be the case in nurses training or in cosmetology, where the courses of training must be completed and a license obtained before skills may be used. In other programs real benefits can be derived by program participation even though the program was not completed. The longer a dropout spends in a program, the more likely they are to derive benefits such as developing necessary personal habits, positive attitudes, and motivation. Therefore, persons dropping out during the early stages of training, prior to the acquisition of skills, offer the best source of information to indicate the expected labor market performance of participants in the absence of program participation.

Once the choice is made as to the best source for a control group under the particular circumstances of a study,

a decision must be made as to the relevant data to be included in the analysis. The following section considers two categories of data, economic and noneconomic, and their relationship to manpower program impact evaluation.

Economic And Noneconomic Factors

The current scope of manpower program impact evaluation is fairly narrow. Specifically, most manpower program impact studies concentrate primarily on economic (quantitative) factors while excluding most noneconomic (qualitative) variables. Noneconomic variables have been incorporated in a few studies, yet even in these studies treatment has been uneven and often times incomplete (Perry et al. 1976). Because these noneconomic factors are very difficult to define, quantify, and measure, they are usually excluded from impact evaluations. The importance of both economic and noneconomic factors to evaluation will be examined in what follows.

Economic Factors

Most manpower program evaluations rely almost exclusively on two basic variables to infer program impact. These two variables are confined to the economic aspect of the participants' labor market experience. These variables are employment experience (status and stability) and earnings (measured hourly, weekly, or annually).

Wages and employment stability are used in determining relative labor market status, employability, and the economic potential of the participant. The reliability of these factors as indicators of the program impact are easily influenced by the structure of the labor market and the state of the economy (Perry et al. 1976).

Another economic factor which is important and should be incorporated when possible is the reduction in public assistance receipts. The reduction of public assistance receipts shows an increased ability of the participant to operate independently in the labor market.

Finally, of utmost importance is the state of the economic environment in which the participants and the control group find themselves at the conclusion of the training period. Local labor market conditions and economic fluctuations should be incorporated into the economic evaluation in order to accurately assess program impact upon participants.

Noneconomic Factors

'Noneconomic effects' is a term that has been used to describe a broad range of program outcomes, qualitative in nature, which are not measurable by short run changes in employment and earnings. Many workers that experience low incomes, high unemployment, and low job mobility do so

because of personal attitudes and habits, incomplete social acculturation, and various other personal and environmental conditions in addition to their lack of sufficient job skills. Thus, the barriers to improved economic conditions involve noneconomic factors as well as economic factors.

Even though it is not always a primary objective of the program, most manpower programs generate changes in the emotional and psychological well being of the participants. It is quite possible that these noneconomic benefits could have longlasting positive effects on trainees who show no immediate economic improvement (Perry et al. 1976). To exclude these noneconomic benefits from program evaluation would prevent an accurate assessment of the true program impact.

Such variables of interest include job satisfaction and the ability to function in a work oriented environment, and personal opinions of participants on training effectiveness.

Once it has been determined which criteria are to be used for the evaluation, techniques of data analysis must be decided upon. One technique frequently used in manpower program evaluation is cost-benefit analysis. The nature of cost-benefit analysis and its importance in program evaluation will be subsequently discussed.

Cost-Benefit Analysis

Cost-benefit analysis is often used to determine the

overall economic allocative efficiency of manpower programs. It is also used in interprogram evaluation to determine which of several programs leads to the more efficient use of resources.

In cost-benefit analysis, estimated program benefits are summarized and compared to the summarized costs of program operation. If benefits are greater than or equal to costs, the program is said to be worthwhile. If costs exceed benefits, it is often concluded that resources are not being used wisely in continuing the program.

To carry out a cost-benefit analysis it is necessary to define, value, and measure program inputs and outputs. This is often a difficult thing to do. Inputs are usually monetarily defined. Outputs, however, are not always measurable in dollar terms - particularly such outputs described as noneconomic in nature.

One of the major criticisms of cost-benefit analysis is that it emphasizes economic costs and benefits of training while largely ignoring the noneconomic aspects. Many administrators and evaluators feel that these noneconomic benefits deserve as much attention as the economic benefits. Indeed, the exclusion of noneconomic factors from an evaluation could result in programs being cut that, though weak in measurable economic benefits, generate significant qualitative results. Measures must be taken to include in the analysis an assessment of the qualitative, or noneconomic, factors as well as

the economic factors. Both factors should complement each other in order to have a complete analysis of the program. Thus a cost-benefit analysis should not be the sole determinant used to evaluate a manpower program.

Cost-benefit analysis can be a valuable aid in manpower program evaluation when used in the proper perspective. But, given the serious drawback of excluding the noneconomic benefits of training, which may by itself be a very important outcome of the program, cost-benefit analysis should be only a partial consideration in program evaluation. That is to say, cost-benefit analysis should be only an evaluation tool, not the end result. Gerold G. Somers, a leading manpower authority, put cost-benefit analysis into its proper perspective when he said, "The cost-benefit calculus is only one piece of evidence in the appraisal process, and it may not be the most significant piece of evidence." (Somers 1972, p. 33).

Chapter IV

METHODOLOGY

The data gathering procedure and the techniques for data analysis used in this study, are described in the following sections.

Sample Selection

The focus of this study is on CETA Title II-B terminees for fiscal year 1978 in Orange and Seminole Counties. Initially, the total population of 2283 terminees in Orange and Seminole Counties was selected for this study. The exclusion of youth summer employment programs, the inability to locate participants, the unsuccessful interview attempts, and the unavailability of essential background information reduced the total sampled to 203 terminees, approximately 8.89% of the total population.

In this study, the completers were analyzed comparatively with a control group of noncompleters to determine program effects. A functional comparison was not possible between primary service components, i.e., classroom training, on-the-job training, and work experience programs, in most instances because further breakdown of the two groups into these cate-

gories resulted in numbers too small to be statistically analyzed.

Interview Format And Data Collection

A twenty-one item questionnaire developed by C. A. Haulman, D. A. Hosni, and F. A. Raffa for use in "A Model For Evaluating the Impact of the Comprehensive Employment and Training Act in the State of Florida - A Final Report," was administered to the participants in a telephone interview format. The questionnaire was designed to provide information about participants' pre-training employment status, training experiences, and post-training labor market performance. The questionnaire was pre-tested and modified. A copy of the final questionnaire is attached in Appendix 1.

Participants were notified in advance of the interviews. Each participant was sent an explanatory letter introducing the research study (Appendix 2). Participants were requested to notify the researchers, via an enclosed pre-paid post card of any changes in their telephone number. Telephone interviews began approximately two weeks after the letters were mailed out. The interviews were conducted primarily during evening and weekend hours. Each interview lasted an average of ten minutes. Various attempts were made (through the Post Office and telephone company) to locate the Orange County participants whose letters were returned undelivered and who could not be located by the interviewers. These attempts

were expensive, time consuming, and highly unsuccessful and were therefore not carried out in Seminole County.

Background information was then collected from the various prime sponsor offices for those participants for whom there was a completed telephone interview. This background information consisted of demographic traits (i.e., employment status, economically disadvantaged, public assistance, etc.), and training experience information (i.e., training program, nature of skill training, length of enrollment, etc.) (Appendix 1).

Data Analysis

The chi-square test procedure was applied to determine the significance of differences between the two groups of data (completers and noncompleters). Hypothesis testing procedures and the Student t test were used to determine whether or not group means were significantly different. Each test utilized a 95 percent significance level.

Chapter V

A CASE STUDY IN ORANGE AND SEMINOLE COUNTIES

This chapter is divided into four sections: environment, group, training, and labor market performance. In the first section, the 1978-1979 economic environment of the Orange and Seminole County area is presented as background information for this case study. In the second section of this chapter, the socio-economic characteristics at the time of enrollment of the completers and the noncompleters are presented. The case study focus upon two groups of CETA participants taken from the 1978 terminees in Orange and Seminole Counties. The first group is the experimental group, made up of participants who completed the CETA training program. The second group, made up of persons who dropped out of the training program prior to its completion, serves as a control or comparison group. The third section details the training experiences of the two groups. The final section comparatively examines the post-training labor market experiences of both the completers and the noncompleters in an effort to assess the impact of CETA upon those participants who completed the training program.

Economic Environment

Orange and Seminole Counties are located in the East Central Florida region and fall into the Orlando Standard Metropolitan Statistical Area (SMSA).^{*} Together the two counties cover 1214.9 square miles of land (University of Florida College of Business Administration 1979).

Information on the 1978-1979 economic environment of this two county area, hereafter referred to as the Orange-Seminole Area (OSA), is presented as a background for this assessment of the CETA training program impact upon the participants in Orange and Seminole Counties who terminated in 1978. Characteristics of the OSA population, labor force, employment opportunities, wages, unemployment, and family income are examined in the following sections.

Population

The population of the OSA has been steadily increasing since 1970 at an average annual rate of 2.9% in Orange County and 7.1% in Seminole County; only 3.9% for the SMSA. In 1978 the OSA had a population of 580.482 (Table 1).

^{*}Owing to the unavailability of county data, the economic environment statistics reported for the most part pertain to the Orlando SMSA. Osceola County is the remaining county in the Orlando SMSA. In 1979, it made up 5.97% of the SMSA populationwise, and is considered negligible for the purposes of this study.

The average age of the population was estimated to be 32.6 years in 1978. This is somewhat higher than the state and national averages, largely due to the great number of retirees living in the area (Florida Department of Labor and Employment Security 1979). Tables 2 and 3 show the breakdown of the 1978 population by sex and race. As can be seen, 52.03% of the population was female and 12.69% was nonwhite.

TABLE 1
ORLANDO SMSA POPULATION
July 1, 1978

	Total population	%
Orange	430,680	70.54
Osceola	30,084	4.93
Seminole	149,802	24.53
SMSA	610,566	100.00
OSA	580,482	95.07

SOURCE: University of Florida College of Business Administration, Bureau of Economic and Business Research, Florida Statistical Abstract 1979 (Gainesville, FL: University Presses of Florida, 1979), p. 25, table 1.28.

TABLE 2

OSA POPULATION BY SEX
July 1, 1978

	Total males	% Male	Total females	% Female
Orange	207,261	48.12	223,419	51.88
Seminole	71,191	47.52	78,611	52.48
OSA	278,452	47.97	302,030	52.03

SOURCE: University of Florida College of Business Administration, Bureau of Economic and Business Research, Florida Statistical Abstract 1979 (Gainesville, FL: University Presses of Florida, 1979), p. 25, table 1.28.

TABLE 3

OSA POPULATION BY RACE
July 1, 1978

	Total white	% White	Total nonwhite	% Nonwhite
Orange	371,904	86.35	58,776	13.65
Seminole	134,939	90.08	14,863	9.92
OSA	506,843	87.31	73,639	12.69

SOURCE: University of Florida College of Business Administration, Bureau of Economic and Business Research, Florida Statistical Abstract 1979 (Gainesville, FL: University Presses of Florida, 1979), p. 25, table 1.28.

Labor Force

The labor force of the OSA has been growing at an average annual growth rate of 5.3% since 1970. In 1978 the labor force was an estimated 280,000 persons of which approximately 40.0% were female and 13.0% were nonwhite.

The labor force participation rate in 1978 was estimated at 65.0% (Florida Department of Labor and Employment Security 1979). Labor force participation rates have been increasing since 1970 in all sex and race categories with the largest relative and absolute gains being experienced by white females (Table 4).

Employment Opportunities

The OSA experienced strong periods of economic growth in 1978 and 1979 due to high levels of activity in the tourist sector and increases in the manufacturing and construction sectors. The high levels of activity in the tourist sector created a strong need for recreational attendants, hostesses, waiters, cooks, maids, sales personnel, and various other service oriented jobs. Increased construction activity provided demand for jobs which required skilled workers such as concrete masons, roofers, electricians, plumbers, and carpenters. There was also an increased demand for clerks, bookkeepers, management trainees, administrative personnel, mechanics, maintenance workers, and drivers

TABLE 4

ESTIMATED LABOR FORCE PARTICIPATION RATES
ORLANDO SMSA

	% 1970	% 1979	% Change	Absolute increase
Male	71.1	81.3	14.35	10.2%
Female	41.6	47.7	14.66	6.1%
White male	77.2	81.6	5.70	4.4%
White female	39.8	46.2	16.08	6.4%
Nonwhite male	76.0	79.6	4.74	3.6%
Nonwhite female	54.0	58.4	8.15	4.4%

SOURCE: Florida Department of Labor and Employment Security, Division of Employment Security, Orlando SMSA Annual Planning Information 1979 (Tallahassee, FL), p. 5, table 2.

(Florida Department of Labor and Employment Security 1979).

Wages

The average annual wage in the OSA in 1978 was \$9,905. The manufacturing industry, employing 12.6% of the OSA workers, paid the highest average annual wage at \$13,187. The service and trade industries, employing 25.9% and 28.0% of OSA workers, paid lower than average annual wages of \$9,072 and \$7,935 respectively. The construction industry, employing only 6.2% of OSA workers, paid above average annual wages of \$10,492 (Figure 1 and Table 5).

Unemployment

In 1975, the unemployment rate was 11.1%. By 1978, the unemployment rate had dropped to 6.3% (Florida Department of Labor and Employment Security 1980).

The greatest percentage of unemployment compensation claimants were in the 25 to 34 age group. This group accounted for 27.9% of all 1978 claimants in the OSA. Another 21.4% of the claimants were between the ages of 35 and 44 (Table 6). Of all the OSA unemployment compensation claimants for 1978, 46.1% were female and 20.2% were non-white. These percentages of female and nonwhite unemployment claimants were greater than the respective percentages of females and nonwhites in the labor force (40.0% and 13.0%,

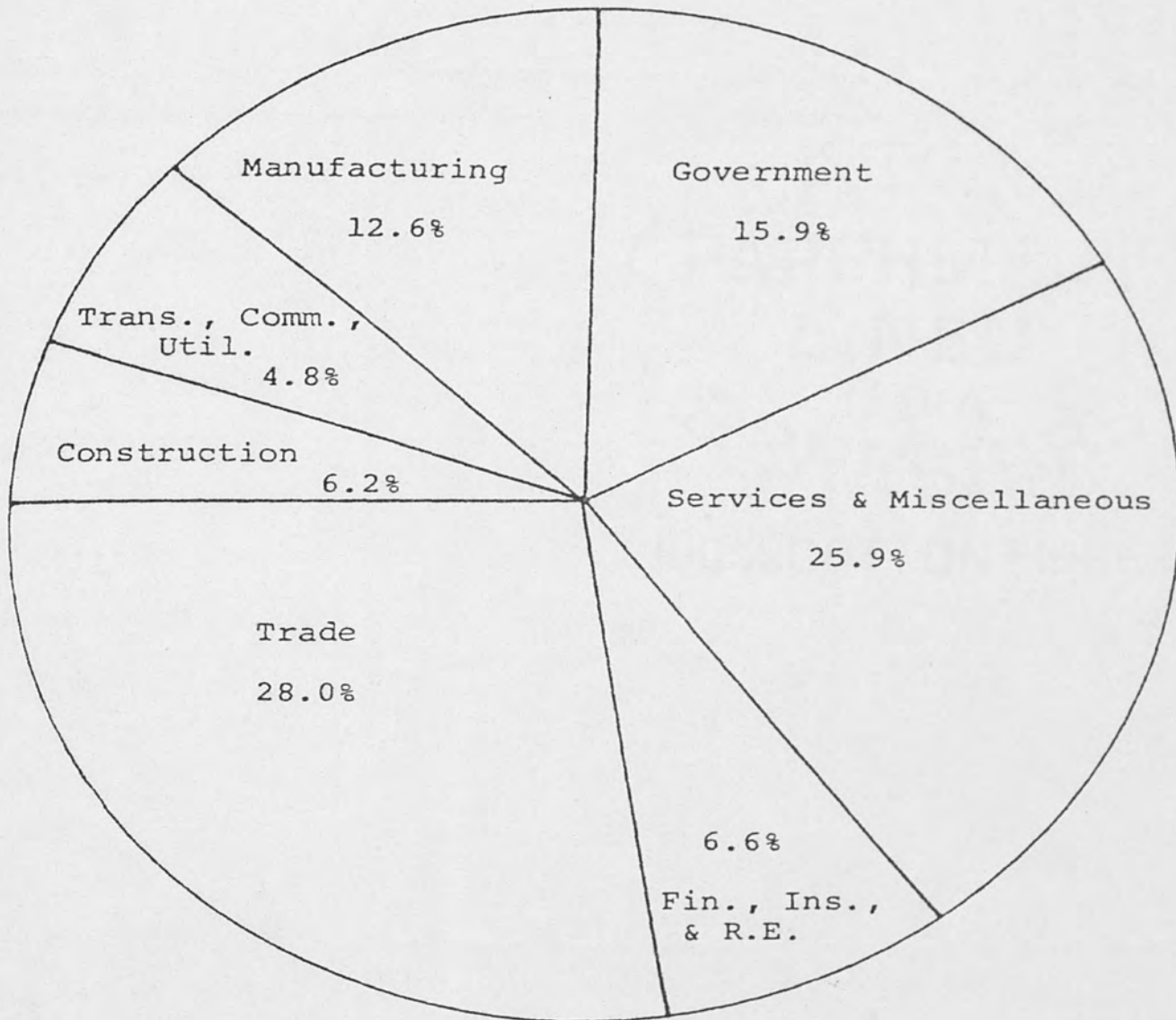


Fig. 1. Industrial composition of 1978 annual average nonagricultural employment for the Orlando SMSA.

SOURCE: Florida Department of Labor and Employment Security, Division of Employment Security, Annual Planning Information Report 1980 (Tallahassee, FL), p. 11, fig. 4.

TABLE 5
AVERAGE ANNUAL WAGES
BY PRIVATE INDUSTRIAL SECTORS
1978 ORLANDO SMSA

<u>Industrial sector</u>	<u>Average 1978 wage</u>
Manufacturing	\$13,187
Mining	\$11,150
Construction	\$10,492
Fin., Ins., R.E.	\$10,449
Tran., Comm., Util.	\$10,056
AVERAGE	\$ 9,905
Services	\$ 9,072
Trade	\$ 7,935
Agriculture	\$ 6,290

SOURCE: East Central Florida Regional Planning Council,
Near Term Regional Impact 1979-1983, vol. 2, p. 18, fig. 6.

respectively). This suggests that females and nonwhites in the OSA have a greater problem with unemployment than their male and white counterparts (Florida Department of Labor and Employment Security 1980).*

TABLE 6
UNEMPLOYMENT COMPENSATION CLAIMANTS
PERCENT DISTRIBUTION BY AGE
1978 ORLANDO SMSA

<u>Age group</u>	<u>%</u>
under 25	12.6
25 to 34	27.9
35 to 44	21.4
45 to 54	18.2
55 to 64	14.7
65 and above	5.0

SOURCE: ES 203, Characteristics of the Insured Unemployed as reported in Florida Department of Labor and Employment Security, Division of Employment Security, Orlando SMSA Annual Planning Information 1980 (Tallahassee, FL), p. 21, table 9.

*It is realized that unemployment compensation claimants are not an accurate reflection of the unemployed population, however, they are the most adequate source of available information on the characteristics of the unemployed.

Public Assistance

It has been estimated that 72,468 persons in the OSA or 12.48% of the population, were living below the poverty level in 1978. Of these persons, an estimated 45.18% were nonwhite (Table 7). This percentage is much larger than the percentage of nonwhites living in the OSA (12.69%). Many of these people living below the poverty level are recipients of public assistance. In February of 1978, 6,536 families in the OSA were receiving Aid to Families With Dependent Children (AFDC) at an average of \$137.65 per month (Table 8). Persons receiving AFDC accounted for approximately 3.27% of the OSA population. In February of 1978, approximately 7.28% of the OSA population (12,932 households) received food stamps at an average value of \$136.34 per household (Table 9).

The characteristics of the completer and noncompleter groups will be examined in the section that follows.

Group

The socio-economic characteristics of both completer and noncompleter groups at the time of enrollment are presented in this section. Table 10 outlines their demographic (sex, race, age, marital status, education level, and status in the household) and economic (status as wage earner, employment status and family income) outlook.

TABLE 7

PERSONS LIVING BELOW POVERTY LEVEL
OSA 1978

	Total	White		Nonwhite	
		No.	%	No.	%
Orange	52,692	29,165	55.35	23,527	44.65
Seminole	19,776	10,563	53.41	9,213	46.59
OSA	72,468	39,728	54.82	32,740	45.18

SOURCE: 1970 Census; Florida 1976 CPS Sample; Current Population Reports, Series p-60, No. 108; as reported in Florida Department of Labor and Employment Security, Division of Employment Security, Orlando SMO Annual Planning Information 1979 (Tallahassee, FL), p. 38, table 22.

TABLE 8
AID TO FAMILIES WITH DEPENDENT CHILDREN
FEBRUARY 1978

	Families	Children	Persons	Average per:	
				Family	Person
Orange	5,167	11,123	15,147	\$138.80	\$47.35
Seminole	1,369	2,812	3,822	\$133.33	\$47.76
OSA	6,536	13,935	18,969	\$137.65	\$47.43

SOURCE: Monthly Statistical Report, Direct Assistance Programs, Department of Health and Rehabilitative Services as reported in Florida Department of Labor and Employment Security, Division of Employment Security, Orlando SMSA Annual Planning Information 1979 (Tallahassee, FL), p. 20, table 19.

TABLE 9

FOOD STAMP STATISTICS
FEBRUARY 1978

	Total households	Total persons	Average stamp value per household
Orange	10,958	35,670	\$136.34
Seminole	1,974	6,572	\$136.32
OSA	12,932	42,242	\$136.34

SOURCE: Monthly Report, Office of Revenue Management, Department of Health and Rehabilitative Services as reported in Florida Department of Labor and Employment Security, Division of Employment Security, Orlando SMSA Annual Planning Information 1979 (Tallahassee, FL), p.21, table 10.

Demographically, the two groups were closely comparable: white (three-fourths of each group) females (66.43% of the completers and 77.05% of the noncompleters). In the nonwhite category, the completers and noncompleters were predominately black (93.33% and 100.00% respectively). More than half of the participants in both the completer (56.35%) and the noncompleter (65.38%) groups were in the 20 to 34 age category. But, the completers had a slightly higher average age (32.8 years) than the noncompleters (29.4 years). Approximately one-fourth of each group was married and more than one-third of the completers and noncompleters were single. Participants with less than a high school education comprised 31.50% of the completer group and 25.49% of the noncompleter group, while those participants having some post high school education accounted for 13.48% of the completer group and 15.69% of the noncompleter group.

Among the completers, 70.99% were reported to be the head of their households as compared to 57.69% of the noncompleters. Of the completers, 76.98% were the primary wage earners in their household, whereas 76.00% of the noncompleters were likewise. Only 13.03% of the completers and 3.85% of the noncompleters were employed during the time period immediately preceeding enrollment in CETA. More than two-thirds of the completers and the noncompleters were classified as economically disadvantaged. Public assistance was received by 25.86% of the completers and 37.78% of the

TABLE 10

DEMOGRAPHIC CHARACTERISTICS OF PARTICIPANTS

		Completers		Noncompleters	
		No.	%	No.	%
Sex					
	Male	47	33.57	14	22.95
	Female	93	66.43	47	77.05
Race					
	White	95	76.00	36	75.00
	Black	28	22.00	12	25.00
	Other	2	1.60		
Age					
	Under 20	9	7.14	5	9.62
	20 to 34	71	56.35	34	65.38
	35 to 44	21	16.67	7	13.46
	45 and above	25	19.84	6	11.54
Marital status					
	Single	43	38.74	16	37.21
	Married	27	24.32	12	27.91
	Divorced	25	22.52	8	18.60
	Deperated	8	7.21	6	13.95
	Widowed	8	7.21	1	2.33
Education					
	Less than high school	40	31.50	13	25.49
	High school	70	55.12	30	58.82
	Post high school	17	13.48	8	15.69
Head of household					
	Head	93	70.99	30	57.69
	Other than head	38	29.09	22	42.31
Wage earner status					
	Primary wage earner	97	76.98	38	76.00
	Other than primary wage earner	27	23.02	12	24.00
Labor force status					
	Employed	16	13.01	2	3.85
	Unemployed	107	86.99	50	96.15

TABLE 10- Continued

	Completers		Noncompleters	
	No.	%	No.	%
Family income				
Economically dis-				
advantaged	78	70.91	34	73.91
Public assistance				37.78
recipient	30	25.86	17	
Public Assistance				
AFDC	5	18.52	2	11.77
Food stamps	14	33.33	6	35.30
Veterans benefits	13	14.81	1	5.88
SSI/SS	20	7.41	1	35.29
Combination	27	25.93	6	5.88
Other			1	

noncompleters, primarily in the form of food stamps and AFDC. The average weekly amount of public assistance received was higher for the completers (\$55.04) than for the noncompleters (\$36.13).

In the following section, the training experience of the completers and noncompleters will be discussed.

Training

The training experience of the completers and the non-completers is examined in this section, from entry to exit, i.e., the type and length of training received, the type and amount of secondary services extended as well as the problems encountered by the participants during their training. It is assumed for the purposes of this study that each completer and noncompleter received similar pre-enrollment counseling and assistance.

Classroom training provides instruction in occupational skills and other job related training such as basic education. On-the-job training is subsidized training by private and public employers. Work experience is training which promotes the acquisition of work habits. By far, the largest percentile of completers and noncompleters (55.56% and 42.62%, respectively) were enrolled in the classroom training program. On-the-job training was provided to 23.61% of the completers and 27.87% of the noncompleters and

the remaining participated in the work experience program (Table 11). Service oriented skills were acquired by the majority of completers and noncompleters (45.45% and 47.37%, respectively) (Table 12). The average length of time spent in training was 32.58 weeks for completers and 28.67 weeks for noncompleters.

TABLE 11
CETA TRAINING PROGRAMS

	Completers		Noncompleters	
	No.	%	No.	%
Classroom training	80	55.56	26	42.62
On-the-job training	34	23.61	17	27.87
Work experience	30	20.83	18	29.51

TABLE 12
TRAINING SKILLS

	Completers		Noncompleters	
	No.	%	No.	%
Professional/managerial	7	4.90	4	7.02
Sales/clerical	23	16.08	21	36.84
Craftsman/operative/laborer	28	19.58	5	8.77
Service	65	45.45	27	47.37
Other	20	13.99	3	5.26

Not all of the CETA administrative offices in the OSA kept records of supportive services rendered, to tie them to the participants in question. Therefore, it can only be said that at least 36.81% of the completers and 54.10% of the noncompleters received supportive services during the training period. Of these recipients, transportation reimbursement was received by 96.23% of the completers and 87.88% of the noncompleters. Child care assistance was received by 1.89% of completers and 3.03% of noncompleters with the remainder receiving a combination of the two. Moreover, completers received an average of \$2.62 per day in supportive services, compared to \$2.27 for noncompleters.

Special problems that made participation in the CETA training program difficult were experienced by only 10.42% of the completers and 8.20% of the noncompleters (Table 13). Of those experiencing problems, two-thirds (66.7%) of the completers and noncompleters alike, had their problems resolved satisfactorily. The problems experienced were of either a personal nature (such as health, family, or injury problems) or were due to problems with CETA policy or administration (such as pay checks being withheld, inadequate training, and difficulties getting into desired training programs).

The following section looks at the post-training labor market experience of the completer and noncompleter groups.

TABLE 13
PROBLEMS IN PARTICIPATION

	Completers		Noncompleters	
	No.	%	No.	%
Problems experienced	15	10.42	5	8.20
No problems experienced	129	89.58	56	91.80

Labor Market Experience

The post-training labor market performance of the completer group and the noncompleter control group is evaluated in terms of economic criteria: employment experience and income; and noneconomic criteria: job-training relatedness, job satisfaction, ability to function in a work oriented environment, and participants' opinion of training effectiveness. In addition, a profile of the successful participants is presented in terms of socio-economic characteristics and training.

Employment Experience

Employment is a primary objective of CETA manpower programs. The post-training employment experience becomes a crucial consideration in our evaluation. The employment experience of the two groups is analyzed in terms of status

(employed/unemployed) and stability (number of jobs held since terminating from CETA), and is presented in Table 14.

At the time of the survey, there were significant differences among completers and noncompleters vis a vis employment status. First, more completers (75.52%) than noncompleters (58.33%) were employed either part time or full time. Secondly, approximately half of the employed completers and one third of the employed noncompleters were still working at their first post-training job. Thirdly, about 22.92% of the completers compared with 37.70% of the noncompleters never obtained employment after terminating from CETA. Yet, excluding those who were never employed, there was no significant difference between completers and noncompleters with regard to their employment stability i.e., number of jobs held after CETA. Slightly more non-completers than completers experienced employment instability i.e., have held multiple jobs (42.11% as compared with 36.04%).

Income

Income is generated from two sources: workfare and welfare. Income is earned as a result of work and income is received under public assistance.

The earned weekly wage reflects on the individual's relative labor market success and economic potential. The

TABLE 14

ECONOMIC FACTORS

	Completer group	Noncompleter group	
Employment experience			
Employed at time of survey	75.52%	58.33%	$\chi^2=6.0$
Still in first post-training job	48.25%	31.67%	$\chi^2=4.74$
Never obtained post-training employment	22.92%	37.70%	$\chi^2=4.47$
Multiple post-training jobs	36.04%	42.11%	
Income			
Average weekly earned income	\$159.55	\$121.43	
Public assistance recipients	6.94%	24.49%	$\chi^2=7.22$
Weekly receipts (change for group)	-\$13.88	+\$139.00	
Average individual change	-\$ 11.21	+\$ 6.95	

amount of public assistance an individual receives indicates dependency rather than self sufficiency in the labor market. Self sufficiency and the ability to function independently in the labor market are typical CETA goals.

Significant differences between the two groups under study were reported in relation to income and welfare, and are summarized in Table 14. Among the employed completers, the average weekly earned income was \$159.55 compared to \$121.43 among employed noncompleters. A relatively low percentage of completers (6.94%) were receiving public assistance at the time of the survey compared to one fourth of the noncompleters. It was observed that the completer group as a whole, experienced a total reduction in weekly public assistance receipts of \$313.88 compared to a total increase of \$139.00 for the noncompleter group. The average weekly reduction among completer recipients was \$11.21 while noncompleter recipients experienced an average weekly increase of \$6.95.

Job-Training Relatedness

Job-training relatedness reflects on the quality of training as well as the responsiveness of training programs to job market needs. When asked if they felt their first post-training job was training related, significantly more completers (76.42%) than noncompleters (60.87%) responded

that their job duties were training related, either definitely or somewhat (Table 15).

Job Satisfaction

Job satisfaction is an important indicator of a participant's attitude toward his work. Such satisfaction develops a strong motivation with a positive impact on job performance and stability. It is interesting to note that significantly more completers (73.39%) were "very satisfied" with their jobs as compared to noncompleters (52.08%), whereas the proportion of completers "somewhat satisfied" (18.55%) was much below that of noncompleters (35.42%). On the whole however, more completers (91.94%) were satisfied with their jobs than noncompleters (87.50%) (Table 15).

Ability To Function In A Work Oriented Environment

The ability to function in a work oriented environment is a prerequisite to a successful job experience. Two different determinants of this ability are analyzed: the ability to get along with the supervisor and the serious problems encountered on the job. The results are summarized in Table 15.

Both groups reported to get along "very well" or "fairly well" with their supervisor at their present jobs (or most recent if unemployed). Approximately half of the

two groups had not encountered any serious problems in their work. Of those participants who did experience problems, the reported problems were basically the same among the completers and noncompleters: not enough work, transportation, time not convenient, getting along with others, low pay and job too difficult.

Participants' Opinion of Training Effectiveness

Participants were asked to evaluate their CETA training in two ways, the results of which are summarized in Table 15. First, participants were asked whether or not the skills they had acquired in their CETA training had helped them to get their first post-training job. Among completers, 69.84% were of an affirmative opinion as compared to 50.00% of the noncompleters. Second, when asked how well CETA had prepared them for their first post-training job, participants in the completer and noncompleter groups responded similarly with 81.82% of completers and 76.74% of noncompleters feeling "very well" or "fairly well" prepared.

Successful Participant Profile

The successful CETA participant is defined as a CETA program completer employed at the time of the survey at their first post-training job. Table 16 shows the characteristics of the so defined successful participant, upon enrollment.

TABLE 15

NONECONOMIC FACTORS

	Completer group	Noncompleter group	$\chi^2=5.96$
Job-training relatedness	76.42%	60.87%	
Job satisfaction	91.94%	87.50%	
Ability to function in work oriented environment			
Get along will with supervisor	97.27%	97.87%	
No problems encountered at work	50.40%	47.92%	
Opinion of training effectiveness			
Skills helped acquire first post-training job	69.84%	50.00%	$\chi^2=5.97$
Well prepared for job	81.82%	76.74%	

The successful participant is a white (75.68%) single (43.06%) female (63.95%) head of household (60.00%) between the ages of 20 and 34 (55.13%), with a high school education (60.26%). Also, upon joining the program, the successful participant is an economically disadvantaged (62.12%) /unemployed (75.00%) primary wage earner (72.37%) not receiving public assistance (77.94%). About half of the successful participants received classroom training, mostly in service oriented skills (43.02%)

It is interesting to note that the characteristics of the successful participant are very similar to those of the typical CETA trainee. The typical CETA trainee is described as a white, single female, between the ages of 20 and 34, with a high school education, who upon joining the training program is classified as unemployed and economically disadvantaged, but not receiving public assistance.

TABLE 16

SUCCESSFUL PARTICIPANT CHARACTERISTICS

		No.	%
Sex			
	Male	31	36.05
	Female	55	63.95
Race			
	White	56	75.68
	Nonwhite	18	24.32
Age			
	Under 20	8	10.25
	20 to 34	43	55.13
	35 to 44	13	16.67
	45 and over	14	17.95
Marital Status			
	Single	31	43.06
	Married	17	23.61
	Divorced	14	19.44
	Separated	6	8.33
	Widowed	4	5.56
Education			
	Less than high school	20	25.64
	High school	47	60.26
	Post high school	11	14.10
Head of household			
	Head	48	60.00
	Other than head	32	40.00
Wage earner status			
	Primary wage earner	55	72.37
	Other than primary wage earner	21	27.63

TABLE 16-Continued

	No.	%
Economically disadvantaged		
Economically disadvantaged	41	62.12
Not economically disadvantaged	25	37.88
Pre-training public assistance		
Receiving	15	22.06
Not receiving	53	77.94
Pre-training employment status		
Employed	22	25.00
Unemployed	66	75.00
Primary service component		
Classroom training	43	48.86
On-the-job training	25	28.41
Work experience	20	27.73
Training skills		
Professional/managerial	6	6.98
Sales/clerical	18	20.93
Craftsman/operative/laborer	17	19.77
Service	37	43.02
Other	8	9.30

Chapter VI

COST-EFFECTIVENESS ASSESSMENT

Alternative-Effectiveness Evaluation

In this chapter, an "alternative-effectiveness evaluation" is used to analyze CETA Title II-B by primary service component. Program effectiveness is measured by program outcome to which costs have been related. Such measures include: participants served, program costs, average cost per enrollee, cost per unsubsidized job placement, cost per successful labor market experience, and cost-effectiveness measure. This analysis aids in determining the relative efficiency of the primary service components in achieving CETA objectives.

Dollar costs and the corresponding number of participants served reflect the emphasis placed upon each program by prime sponsors. The average cost per enrollee is a result of cost factors not entirely under the prime sponsor's control. These three factors tie together to reflect the "costliness" of program operation.

On-the-job training received the least budgetary emphasis (11.40%) of the primary service components in fiscal year 1978. It served the fewest participants (14.45%) and

was the least costly to operate (\$827.65 average cost per enrollee). Work experience received the greatest budgetary emphasis (46.68%) and served the largest number of participants (52.74%). Work experience with an average cost of \$1,072.97 per enrollee was more costly to operate than on-the-job training but less costly than classroom training. While classroom training received a budgetary emphasis (41.92%) almost equivalent to that of work experience, and served fewer people (32.81%) than work experience, it was the most costly program to operate (\$1,552.13 average cost per enrollee) (Table 17).

Unsubsidized job placement rate is defined as the percentage of participants employed at the time of the survey. It is an indicator of the CETA programs' success in assisting participants to acquire the skills necessary for unsubsidized employment. Successful labor market experience rate is defined as the percentage of participants still employed in their first post-training job. It is indicative of the quality of training provided by the programs which reflects on the success of individuals in holding stable employment. Cost per placement (total sample training costs divided by the number of employed participants) and cost per success (total sample training costs divided by the number of successful labor market experiences) link the cost and quality aspects of the programs.

As summarized in Table 17, the on-the-job training pro-

gram had the highest unsubsidized job placement rate (76.47%) and the highest successful labor market experience rate (49.02%), as well as the lowest cost per placement (\$8,188.79) and cost per success (\$12,774.52). Work experience had the lowest unsubsidized job placement rate (56.24%) and the second highest successful labor market experience rate (40.18%). The cost per placement (\$48,429.96) and cost per success (\$65,380.45) of the work experience program were higher than the cost rates of on-the-job training (\$8,188.79 and \$12,774.52, respectively) as well as those of classroom training (15,249.26 and \$27,306.81, respectively). Classroom training had a fairly high unsubsidized job placement rate (74.04%) that approaches that of on-the-job training, however the successful labor market experience rate of classroom training (35.32%) is the lowest of the three programs.

When dealing with multiple programs with varying costs, a cost-effectiveness ratio is very useful in providing an adequate comparison. Cost-effectiveness formulation is a ratio of results to costs. Cost-effectiveness ratios were developed with respect to unsubsidized job placement and successful labor market experience.

The cost-effectiveness ratio of unsubsidized job placement is obtained by dividing the rate of unsubsidized job placement by the average training cost per enrollee. Similarly, the cost-effectiveness ratio of successful labor market experience was obtained by dividing the rate of success-

TABLE 17

ALTERNATIVE-EFFECTIVENESS MEASURES

	Classroom training	On-the-job training	Work experience training
Number of OSA participants served	749	330	1240
	(32.81%)	(14.45%)	(52.74%)
Total OSA program costs	\$1,174,193	\$319,363	\$1,307,609
	(41.92%)	(11.40%)	(46.68%)
Average cost per participant	\$1,552.13	\$827.65	\$1,072.97
Unsubsidized job placement rate	74.04%	76.47%	56.24%
Average cost per placement	\$15,249.26	\$8,188.79	\$48,429.96

TABLE 17-Continued

	Classroom training	On-the-job training	Work experience training
Successful labor market experience rate	35.32%	49.02%	40.18%
Average cost per success	\$27,306.81	\$12,774.52	\$65,380.45
Cost-effectiveness ratio (unsubsidized job placement)	47.70	92.39	52.42
Cost-effectiveness ratio (successful labor market experience)	22.76	59.23	40.18

ful labor market experience by the average cost per enrollee (Appendix 3).

On-the-job training had the highest cost-effectiveness ratio with respect to unsubsidized job placement (92.39) and successful labor market experience (59.23). Classroom training had the lowest and least favorable cost-effectiveness ratios for both unsubsidized job placement (47.70) and successful labor market experience (22.76). Work experience had in between ratios of 52.42 and 40.18 for unsubsidized job placement and successful labor market experience, respectively (Table 17).

Pay Back Method

The pay back method is a type of cost-benefit analysis designed to calculate the post-training earnings of individuals over time and compare them with the cost of training. The Department of Community Colleges of North Carolina Human Resources Development Program utilized a pay back program evaluation that was developed by R. C. Smith of MDC Incorporated, to determine the length of time it takes for the participants to pay back or recoup the cost of the training program investment. The pay back evaluation has been adapted for this study.

First, the weekly earned income rate of all employed participants was calculated and divided into the cost of training the sample, giving a training cost pay back rate.

This training cost pay back rate specifies the length of time (in weeks) that it would take to totally recoup training costs at current wage rates. Table 18 summarized the training cost pay back rate by primary service component. As can be seen, on-the-job training had the lowest pay back rate of the three programs at 8.11 weeks (i.e., it would take only 8.11 weeks to totally recoup the training investment). Work experience had the highest training cost pay back rate at 17.68 weeks.

A second way of looking at the pay back rate is to look at the earned income repayment rate. The earned income repayment rate is derived by considering the length of time employed in present job and multiplying it by the current wage rate to determine how much of the training cost has already been recouped as of the time of the survey. This earned income is then compared to the cost of training the sample, and an earned repayment rate is then obtained* (Appendix 4).

As can be seen from Table 18, on-the-job training had the highest repayment rate (at the time of the survey, the

*To be completely accurate, the length of time employed should be multiplied by the various wage rate changes experienced by participants over the employment period. However, data for this study provided only a current wage rate. Also, previous post-training employment experiences (i.e., where participants have had more than one post-training job) would need to be incorporated for a totally accurate repayment rate. Data limitations again prevented the inclusion of previous employment experience earnings in this study. Resultingly, the repayment rates are somewhat understated and would reflect even more positively were this data limitation not present in the study.

employed on-the-job training participants had already earned back 5.80 times the initial training investment), with classroom training and work experience showing positive repayment rates of 3.20 and 2.62, respectively.

Table 18

PAY BACK AND REPAYMENT RATES

	Classroom training	On-the-job training	Work experience training
Training cost pay back rate (in weeks)	15.24	8.11	17.68
Earned income repayment rate	3.20	5.80	2.62

Chapter VII

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This study was undertaken to assess the impact of CETA Title II-B upon participants in Orange and Seminole Counties who terminated in fiscal year 1978. The study compared program completers with a control group of noncompleters. The control group was used in order to isolate the effects of the training program upon the completer participants. Program dropouts, or noncompleters, were chosen for the control group because they were a readily available source of persons who were a close match to the completer participants in socio-economic characteristics.

The impact of CETA programs upon completer participants was assessed in relation to their post-training labor market performance as compared to that of the noncompleters. Both economic (post-training employment experience and income) and noneconomic (job-training relatedness, job satisfaction, ability to function in a work oriented environment, and participants' opinion of CETA training effectiveness) criteria were used.

A significantly higher proportion (75.52%) of the completer group was employed at the time of the survey with

more of them (48.25%) still employed at their first post-training job than noncompleters (58.33% and 31.67%, respectively). More of the latter group however, never obtained post-training employment (37.70%). In addition, on the average, the employed completers each earned higher weekly wages (\$159.55) than the employed noncompleters (\$121.43). More noncompleters were post-training public assistance recipients (24.49%) and showed an average increase in weekly receipts of \$6.95 compared to an almost double average weekly reduction for the completers.

More completers were working in training related jobs (76.42%) and expressed job satisfaction (91.94%) than noncompleters (60.87% and 87.50%, respectively). The two groups were comparable in their ability to function in a work oriented environment, with the majority of both groups being able to get along with their supervisors, and approximately half of each group experiencing no serious problems on their first post-training job. However, a large majority of both groups felt that they had been well prepared by CETA for their first post-training job.

During the 1978-1979 period when the participants were reentering the labor market, the employment opportunities available in the OSA economy required the skill training CETA trainees had received in their service, sales, clerical and craftsmen oriented programs. The completers and noncompleters were closely matching in their socio-economic characteristics

and in their labor market experience at the time of enrollment: white, young, single, female head of the household, unemployed and economically disadvantaged. They received comparable training opportunities and secondary manpower services,* and reentered the labor market during a time of increased employment opportunity and decreasing unemployment. However, the completer group appeared to enjoy a clear superiority in post-training labor market experiences, both quantitatively and qualitatively. The benefits derived by noncompleters from the training experience appear to be qualitative in nature rather than quantitative and could be possibly attributed to the direct secondary manpower services received through their experience with CETA.

It should also be pointed out that the noncompleters spent almost as much time in training as did the completers (an average of 29 and 33 weeks respectively). Even though the same length of training experienced by the two groups biases the findings of the study, it does not detract from the strong positive results achieved by the completers. To avoid such a limitation, it is recommended to use other control groups e.g. dropouts with two weeks or less spent in training or qualified applicants who did not actually parti-

*Secondary manpower services (i.e., counseling, placement, supportive services, and the like) received by participants were not uniformly nor routinely recorded, therefore, it has been assumed that all participants received similar manpower services.

cipate in the CETA program.

On-the-job training received the least emphasis, as per budget and per enrollment, of the three programs; it also proved the least costly to administer. On-the-job training had the highest placement rate and successful labor market experience rate as well as the lowest cost per placement and cost per success. It also proved to be the most cost effective of the programs.

Work experience received the greatest emphasis according to budget and enrollment figures. Work experience had the lowest unsubsidized job placement rate and the second highest successful labor market experience rate, as well as the highest average cost per placement and success. It was in between on-the-job training and classroom training in cost-effectiveness ratios of unsubsidized job placement rate and successful labor market experience rate.

Classroom training received strong budgetary emphasis and proved to be the most costly program to administer. Classroom training was second in terms of unsubsidized job placement and last in terms of successful labor market experience. It had average costs per placement and success that were between those of on-the-job training and work experience. Classroom training ranked lowest in terms of cost-effectiveness ratios.

With respect to pay back rate and repayment rate, the programs faired predictably, with on-the-job training having

the best payback rate and repayment rate and work experience having the poorest. The results seem to point to the conclusion that of the three program alternatives, on-the-job training is the most efficient program. Thus it is recommended that consideration be given to the possibility of diverting more resources into the on-the-job training program.

The findings of this evaluation in relation to functional analysis are very much in line with the recommendations of other evaluation studies. In effect, with more private sector involvement, a new pattern of "hire first, train later" has evolved. A new mix of training is designed. Moreover, specialized customized training for CETA clients seems much in fashion. As such, more private sector involvement is guaranteed and more on-the-job training slots are created.

In conclusion, CETA Title II-B, had a definite positive impact upon completer participants in terms of employment, employability, and enhanced labor market self sufficiency. These factors are exemplified by the relatively higher employment levels, stability, and weekly earned income as well as drastic reduction in public assistance dependency experienced by the completer participants as compared to the control group of noncompleter participants.

These positive effects of Title II-B reflect accomplishment of the stated program objectives and goals, and are in-

dicative of successful training experiences that enhanced participant labor market potential.

The high completion rate (70.44%) experienced by Title II-B along with an equally high unsubsidized job placement rate (70.44%) which is well above the 50% unsubsidized job placement rate typical of CETA manpower programs, documents well the quality of the Title II-B program.

In view of the results of this study, it is recommended that more attention be given to Title II-B as a viable manpower program. With the CETA reorientation, the successful transition of Title II-B participants into unsubsidized employment cannot be ignored. The comprehensive manpower services extended under Title II-B definitely assist in reducing the labor market barriers of the unemployed, underemployed and economically disadvantaged clientele. Increased private sector involvement is supported by the outcome of this study for the supply side of the market. If the demand side of the market is fully receptive to the CETA operation i.e., in terms of public-private partnership, the nation's manpower program would undoubtedly be very successful. It is recommended to coordinate or even merge Titles II-B and VII* to achieve such a goal.

It is recommended that CETA planners and program operators should give more attention and concern to the quality of

*Title VII is the Private Sector Initiative Program (PSIP).

secondary services because of their direct effects on participants' success. Also, a more indepth analysis of the CETA programs primary manpower activities is basic because it is only through such functional assessment that resources, quality of training and labor market experience can really be tied together for a more complete evaluation. If a similar evaluation is to be conducted, the use of program dropouts with no more than two weeks of training or qualified interested applicants who never actually participated in the CETA program should be selected as a control group. Finally, it is important to pursue continued follow up on the CETA participants to assess the long run impact of CETA training upon participants, local economies and society at large.

APPENDIX I

CETA TRAINEE QUESTIONNAIRE

Name _____ (last name first)

County 1. Broward 2. Escambia 3. Orange
4. Pinellas 5. Seminole 6. Volusia

Program 1. Classroom Training 2. On-The-Job Training
3. Work Experience 3. Public Service

Good morning, afternoon, evening! My name is _____.

I'm a student at the University of Central Florida and we are conducting a survey of CETA participants in an attempt to improve the CETA program in the _____ area.

Could you spare a few minutes to answer some questions for us? THANK YOU!

BACKGROUND INFORMATION

1. Before participating in the CETA training program, were you: (READ RESPONSES)

1. Employed full-time: 35 hours per week or more
(GO TO #3)

2. Employed part-time: less than 35 hours per week
(GO TO #2a)

3. Unemployed
(GO TO #2 AND THEN TO #3)

2. Why were you unemployed?

(OPEN EVALUATION - CATEGORIZE RESPONSE)

1. Layed off due to work slow down
2. Layed off due to unsatisfactory performance (fired)
3. In non-CETA education or training program
(high school, vocational schools, etc.)
4. New in the area
5. Employed in the household
(housewife, children, etc.)
6. Personal problems (illness, pregnancy, etc. SPECIFY)

7. Other (SPECIFY) _____

2a. Why were you employed part-time?

OPEN END - SPECIFY AND CATEGORIZE REASON)

2b. Was this 1. Voluntary 2. Involuntary

3. Did you participate in the CETA training program?

READ RESPONSES - PERMIT 1st and 2nd CHOICE)

1. To just get a job
2. To get a better paying job
3. To get a more satisfying job
4. To get the training allowance
5. Other (SPECIFY) _____

4. Where did you initially hear about the CETA program?

(OPEN END)

1. Television announcement
2. Radio announcement
3. Newspaper article/announcement
4. Friend or acquaintance
5. Florida State Employment

(Unemployment Office)

6. Employer
7. Flyers, handbills, brochures, etc.
8. Other (SPECIFY) _____

5. Did you have any special problems that made participating in the CETA program difficult for you?

1. Yes (OPEN END - SPECIFY) _____ (GO TO #6)
2. No (GO TO #9)

6. Were these problems resolved alright?

1. Yes (GO TO #8)
2. No (GO TO #7)

7. How could things have been improved? (OPEN END-SPECIFY)

8. Do you feel that this help _____ (SPECIFY FROM QUESTION #5-IF POSSIBLE) was: (READ RESPONSES)

1. Very important
2. Of some importance
3. Not especially important
4. Don't know (can't say/no response)

EMPLOYMENT EXPERIENCE

9. Are you currently employed?

(OPEN END - IF YES, SPECIFY FULL OR PART-TIME)

1. Yes - Full-time (IF YES, GO TO #9a)
2. Yes - Part-time (IF YES, GO TO #9a)
3. No (IF NO, GO TO #10)

9a. By whom are you currently employed? _____

9b. Where is your employer located? _____

9c. What is your job title? _____

9d. How long have you been employed there? _____

(GO TO #11)

(TRANSLATE ALL ANSWERS INTO MONTHS BEFORE CODING)

10. Are you presently unemployed because you: (READ RESPONSE)

1. Never could find a job after your CETA training

(GO TO #20a, b, c & END INTERVIEW)

2. Were layed off due to work slow down

(GO TO #12 AND CONTINUE)

3. Were layed off because you were fired

(GO TO #12 AND CONTINUE)

4. Had personal problems (SPECIFY) _____

(GO TO #12 AND CONTINUE)

5. Or was there some other reason (SPECIFY) _____

(GO TO #12 AND CONTINUE)

11. Is this your first job after terminating your CETA training?

1. Yes (GO TO #13 AND SKIP #16-19)
2. No (GO TO #12 - BE SURE TO DO #16-19)

12. Would you please list in order any other job(s) you've held since you finished your CETA training.

<u>Job Title</u>	<u>Employer</u>	<u>Length of Employment</u>	<u>Reason for Leaving</u>
1.			
2.			
3.			
4.			

13. How did you find your first job after finishing your CETA training? (OPEN END - CATEGORIZE)

1. CETA placement
2. Employment security office (unemployment office)
3. Applied directly to employer(s)
(direct telephone or personal initial contact)
4. Friend or relative
5. Newspaper advertisement
6. Self-employed
7. Other (SPECIFY) _____

13a. What was the most serious problem you faced in your first job after finishing your CETA training?

(OPEN END - CATEGORIZE)

1. Job too difficult
2. Time not convenient
3. Not enough work
4. Difficulty getting to work (transportation)
5. Getting along with others
6. Other (SPECIFY) _____

13b. Do you feel that your job duties were related to your CETA training? (READ RESPONSES)

1. Yes - Definitely related
2. Yes - Somewhat related
3. Not really related
4. Don't know/can't say/no response

13c. In your opinion, did you receive your first job as a direct result of the new skills obtained through your CETA training?

1. Yes
2. No

13d. How well do you think CETA prepared you for your first job (READ RESPONSES)

1. Very well
2. Fairly well
3. Not too well
4. Don't know/can't say/no response

YOU AND YOUR JOB

14. As applies to your current (or most recent if unemployed) job, how well do you like the type of work you are presently doing? (READ RESPONSES)

1. Like it very much
2. All right - average
3. Don't like it very much
4. Don't know/can't say/no response

15. How do you get along with your supervisor on your present (or most recent if unemployed) job?

(READ RESPONSES)

1. Very well
2. Fairly well
3. Not too well
4. No response/can't really say/don't know

SKIP #16-19 IF ANSWER TO QUESTION #11 IS YES!!

16. What is the most serious problem you're facing in your present job?

- | | |
|----------------------|---------------------------|
| 1. Job too difficult | 4. Transportation to work |
| 2. Shift work | 5. Personnel conflicts |
| 3. Inadequate work | 6. Other (SPECIFY) _____ |

17. Do you feel that your present (or most recent if unemployed) job duties are related to your CETA training?

(READ RESPONSES)

- | | |
|---------------------------|---------------------------|
| 1. Yes-Definitely related | 3. Not really related |
| 2. Yes-Somewhat related | 4. Don't know/no response |

SKIP #16-19 IF ANSWER TO QUESTION #11 IS YES!!

18. In your opinion did you receive a job as a direct result of your new skills obtained through your CETA training?

1. Yes

2. No

19. How well do you think CETA prepared you for your job?
(READ RESPONSES)

1. Very well

2. Not too well

2. Fairly well

3. Don't know/no response

20. Are you presently receiving any welfare or other public assistance?

1. Yes (GO TO #20a, b, c)

2. No (GO TO #21)

20a. Approximately how much are you presently receiving?

1. \$_____per week per month (CIRCLE TIME FRAME)

2. Don't know

3. No response

20b. What type of assistance or what is the reason you're receiving this assistance?

(OPEN END - SPECIFY)

20c. How long have you been receiving this assistance?

(SPECIFY)

1. _____ weeks months years (CIRCLE TIME FRAME)

2. Don't know

3. No response

21 Finally, if presently employed, could you tell me approximately how much you now earn each week?

(IF UNKNOWN - ASK FOR HOURLY RATE AND NUMBER OF HOURS WORKED EACH WEEK)

1. \$ _____ (OPEN END)
2. Not presently employed

THAT CONCLUDES OUR SURVEY. THANK YOU VERY MUCH!

BACKGROUND INFORMATION SHEET FROM CETA RECORDS

NAME:CETA TRAINING PROGRAM:ADDRESS:

Present: _____

Past: _____

TELEPHONE #:

Home-

Business-

1. Classroom Training
2. On-The-Job Training
3. Work Experience
4. Public Service

TERMINATION CODE: _____

1. SEX: 1. Male 2. Female
2. AGE:
3. RACE: 1. White 2. Black 3. American Indian
4. Hispanic 5. Asian/Oriental 6. Other
4. MARITAL STATUS: 1. Single 2. Married 3. Divorced
4. Separated 5. Widowed
5. EDUCATIONAL LEVEL: 1. Less than High School
2. High School 3. Post High School
6. HEAD OF HOUSEHOLD: 1. Yes 2. No
7. NUMBER IN HOUSEHOLD: (including head) _____
8. PRIMARY WAGE EARNER: 1. Yes 2. No
9. ECONOMICALLY DISADVANTAGED: 1. Yes 2. No
10. PUBLIC ASSISTANCE: 1. Yes 2. No
11. IF YES: 1. AFDC 2. WIN 3. SSI 4. Other
12. LABOR FORCE STATUS: 1. Employed 2. Unemployed
3. Underemployed 4. Part-time
13. NUMBER OF WEEKS UNEMPLOYED: _____

14. RECEIVING UNEMPLOYMENT INSURANCE: 1. YES
(GO TO #15 & #16)
2. NO
(GO TO #17)
15. # of Weeks: _____
16. Amount: \$ _____/week
17. IF NO, WHY?
1. Not eligible 2. Exhausted
3. Never applied 4. Pending
18. LAST JOB BEFORE CETA: Job Title - _____
19. Hourly Wage - _____
20. LENGTH OF ENROLLMENT IN CETA: (Months) _____
21. COUNTY: _____
22. SOCIAL SECURITY NUMBER: _____
23. NAME: _____
24. PROGRAM: 1. Classroom Training
2. On-The-Job Training
3. Work Experience
4. Public Service
5. Job Development/Placement
6. Other
25. DETAIL OF CETA PROGRAM(S) SKILLS:
1st Program-
2nd Program-
3rd Program-
4th Program-
26. DATE OF ENTRY IN PROGRAM(S) (MONTH, DAY, YEAR):
1st Program-
2nd Program-
3rd Program-
4th Program-

27. DATE OF TERMINATION OF PROGRAM(S) :

(MONTH, DAY, YEAR) :

1st Program-

2nd Program-

3rd Program-

4th Program-

28. TOTAL LENGTH OF STAY IN EACH PROGRAM (MONTHS) :

1st Program-

2nd Program-

3rd Program-

4th Program-

29. COUNTY :

30. QUESTIONNAIRE CODE NUMBER :

APPENDIX II

UNIVERSITY OF CENTRAL FLORIDA formerly,

FLORIDA TECHNOLOGICAL UNIVERSITY

BOX 25000 ORLANDO, FLORIDA

32816



COLLEGE OF BUSINESS ADMINISTRATION
Department of Economics and Finance

Dear CETA Participant:

You recently completed a training program under the support of the Comprehensive Employment and Training Act (CETA). The University of Central Florida is conducting a study to evaluate the impact of CETA programs on participants throughout the State of Florida.

Within the next week or so, we will be calling you at to ask you a few questions about your CETA training experience. If you cannot be reached at this number, please fill out and return the enclosed pre-paid postcard.

ALL YOUR ANSWERS WILL BE STRICTLY CONFIDENTIAL!

Thank you in advance for your cooperation on this very important project.

Very truly yours,

F. A. Raffa, Ph.D.
Director of Research

FAR/ss
Enclosure

APPENDIX III

COST-EFFECTIVENESS RATIOS

Cost-effectiveness ratio (unsubsidized job placement) =

$$\frac{\text{Rate of unsubsidized job placement}}{\text{Average cost per enrollee}} \times 1000$$

Cost-effectiveness ratio (successful labor market experience) =

$$\frac{\text{Rate of successful labor market experience}}{\text{Average cost per enrollee}} \times 1000$$

APPENDIX IV

TRAINING COST PAY BACK RATE

$$\text{Training cost pay back rate} = \frac{\sum \text{Length of time employed} \times \text{Current wage rate}}{\text{Training costs invested in sample}}$$

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